



SF 347 – Commercial Establishments for Animals (LSB1192SV)
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Fiscal Note Version – New

Description

Senate File 347 makes changes to the regulation of nonagricultural animals by the Department of Agriculture and Land Stewardship (DALs). Changes include:

- Creates four new classifications for commercial animal establishments and specifies what type of annual license should be purchased from the Department. The new classifications include:
 - Grooming facilities.
 - Animal rescues.
 - Animal sanctuaries.
 - Special commercial breeders -- this includes small breeders, competitive breeders, or specialized breeders.
- Requires all commercial animal establishments to be inspected by the DALs on an annual basis.
- Requires a commercial breeder selling a dog to provide the most recent copy of the inspection report to the potential purchaser. Prior to purchase, the customer must review and sign the report.
- Replaces the current fee system and adds a scheduled fee based on classification for some commercial animal establishments.
- Creates an Animal Rescue Remediation Fund under the control of the DALs and requires a minimum fee revenue transfer of \$20,000 per year. The Bill specifies that if the unobligated and unencumbered balance in the Animal Rescue Remediation Fund equals more than \$60,000 as of March 1 of any given year, the Department can suspend the transfer for the next fiscal year.

Background

House File 2280 (FY 2010 Commercial Animal Establishment Act) created the Commercial Animal Establishment Program in the DALs. The Program is funded with registration fees by commercial animal establishments.

Assumptions

The DALs estimates there are 255 State-licensed commercial breeders that have between 10 and 15 cats and/or dogs and 244 federal-licensed commercial breeders with an average of 60 animals. The following table summarizes the fee revenue and includes the annual transfer of a minimum of \$20,000 in fee revenue to the Animal Rescue Remediation Fund:

Fee Revenue Estimates -- SF 347					
Establishment	Base Fee	Schedule		Facilities	Total Fee Revenue
		Fee	Total Fee		
State License Commerical Breeder	\$ 175	\$ 75	\$ 250	255	\$ 63,750
Federal License Commerical Breeder	\$ 175	\$ 250	\$ 425	244	103,700
Total Fee Revenue					\$ 167,450
Less: Transfer to Animal Rescue Remediation Fund					\$ 20,000
Balance					\$ 147,450

The DALs estimates expenditures for FY 2016 are \$136,000 and 2.00 FTE positions and expenditures for FY 2017 are \$108,000. This includes a 7.0% increase for salary and benefit costs. The following table summarizes the expenditures:

Expenditure Estimates		
Expenditure	FY 2016	FY 2017
Inspectors (additional 2.00 FTEs)	\$ 96,000	\$ 103,000
Equipment	10,000	0
Travel & Depreciation	30,000	5,000
Total Department Expenditures	\$ 136,000	\$ 108,000

Summary of Impacts

Correctional Impact: The correctional impact of [SF 347](#) is expected to be minimal.

Fiscal Impact: The fee revenue is estimated at \$168,000 for FY 2016 and each year after. However, after the Department transfers \$20,000 to the Animal Rescue Remediation Fund, the net fee increase is \$148,000. Expenditures are estimated at \$136,000 and 2.00 FTE positions for FY 2016 and \$108,000 for FY 2017.

Sources

Department of Agriculture and Land Stewardship
Criminal and Juvenile Justice Planning Division

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.